

POOLED MONEY INVESTMENT BOARD
915 Capitol Mall, Room 110
Sacramento, CA 95814

MINUTES

Wednesday, September 21, 2005

The meeting was called to order at 10:00 a.m.

Roll: Francisco Lujano for State Treasurer Philip Angelides
Cindy Aronberg for State Controller Steve Westly
Molly Arnold for Director of Finance Thomas J. Campbell

Staff Present: Mark Paul, Executive Secretary, PMIB
Doug Spittler, State Treasurer's Office
Connie LeLouis, Attorney General's Office
Mark Paxson, State Treasurer's Office

APPROVAL OF MINUTES

The Minutes for the meeting of August 17, 2005, were approved as submitted, 3-0.

APPROVAL OF PMIB DESIGNATION NO. 1675

Mr. Doug Spittler of the State Treasurer's Office presented the portfolio Summary Report as of September 13, 2005. On that day, the portfolio stood at \$49.600 billion. The effective yield was 3.286%, the quarter-to-date yield was 3.154%, and the year-to-date yield was 3.154%. The average life of the portfolio was 181 days and AB 55 Loans approved stood at \$4.887 billion with \$1.477 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$16.765 billion with 2,672 participants.

Designation No. 1675 was approved, 3-0.

APPROVAL OF SURPLUS MONEY DECLARATION/REDUCTION

Mr. Doug Spittler presented the changes in the Surplus Money Investment Fund for the period August 1, 2005, through August 31, 2005. During that month \$9.614 billion was declared surplus in various special funds, while \$9.333 billion was declared to be a reduction in surplus.

Ms. Arnold then asked why the declaration made reference to "the amount of money set opposite each of the hereinafter designated special funds," when the attachment was only done on a daily, summary basis. She wanted to know how that related to the specific special funds. Mr. Spittler

responded by stating that for each day listed on the attachment, there is a listing of funds behind the amount shown as a declaration of surplus money and the amount shown as a reduction of surplus money, and that such listing was available for inspection at the State Controller's Office. Ms. Arnold stated that she thought perhaps there was an obligation to identify the changes by fund and asked if this summary was sufficient for the designation. Mr. Spittler said that he believed the summary was sufficient, but proposed having the wording of the declaration/reduction document changed to reflect that daily, summary amounts are being used. Mr. Spittler further indicated that the daily amount by fund was available and that the State Controller's Office staff could provide this information. Ms. LeLouis said that she would like to check the relevant statutes to make sure that they do not require that the separate listing of each fund's activity. Ms. Arnold moved to approve this declaration/reduction with the record reflecting that the Board was designating daily summary totals, not an amount per fund.

The Surplus Money Declaration/Reduction for the month of August 2005 in the amounts reflected on the attached, daily summary was approved, 3-0.

APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Spittler presented requests from three separate departments involving five different funds. The first request was from the Department of Health Services for the Special Deposit Fund, Private Trauma Hospital Inter-Governmental Transfers (IGT) Account (Fund Number 0942142).

The second request was from the Department of Justice for the following three funds.

Unfair Competition Law Fund (Fund Number 3087)
Registry of Charitable Trusts Fund (Fund Number 3088)
Legal Services Revolving Fund (Fund Number 9731)

The last request was from the Department of Toxic Substances Control for Certified Unified Program Account (Fund Number 3084). Mr. Spittler said that staff had reviewed these requests and recommended their approval.

The Board accepted the staff's recommendations and approved all five requests, 3-0.

APPROVAL OF AB 55 LOANS

Mr. Taylor Urban of the Public Finance Division of the State Treasurer's Office presented twelve loan requests as shown in the following table. He noted that the first four items (6.a. – 6.d.) were for general obligation programs while the remaining eight loans (6.e. – 6.l.) were for lease revenue programs.

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
6.a.	0560031	GO/Renewal	California State University Public Education Facilities Bond Act of	\$1,018,000.00

1996 (Hi-Ed)

APPROVAL OF AB 55 LOANS (Continued)

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
6.b.	0560032	GO/Renewal	California Community Colleges Kindergarten-University Public Education Facilities Bond Act of 2004 (Hi-Ed)	\$45,292,533.00
6.c.	0560033	GO/Renewal	Water Resources Control Board for Department of Water Resources Safe, Clean, Reliable Water Supply Bond Act of 1996	\$39,704,000.00
6.d.	0560034	GO/Renewal	University of California Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act of 2000	\$3,000,000.00
6.e.	0560035	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Pacheco Forest Fire Station	\$1,268,512.00
6.f.	0560036	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Manton Forest Fire Station	\$2,433,685.00
6.g.	0560037	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Dew Drop Forest Fire Station	\$1,545,436.00
6.h.	0560038	REV/Renewal	California State University SPWB Lease Revenue Bond Program Los Angeles Campus-Physical Science Building	\$25,203,000.00
6.i.	0560039	REV/Renewal	Department of Mental Health SPWB Lease Revenue Bond Program Patton State Hospital	\$1,712,200.00
6.j.	0560040	REV/Renewal	Department of Justice SPWB Lease Revenue Bond Program Santa Barbara Replacement Laboratory	\$8,046,000.00
6.k.	0560041	REV/Renewal	Department of Corrections and Rehabilitation SPWB Lease Revenue Bond Program San Quentin Condemned Inmate Complex	\$20,677,620.00
6.l.	0560042	REV/Renewal	Department of General Services SPWB Lease Revenue Bond Program Office Building 8 & 9	\$18,000,000.00

Mr. Urban said that all loans were recommended for approval as presented and that the impact on the Pool would be to increase AB 55 loan balances by \$65,383,184.12.

Mr. Lujano asked if there was a motion to approve and, at that time, Ms. Aronberg stated that she would be abstaining from voting on loan k. A motion was then made to approve loans 6.a. through 6.l. excluding loan 6.k.

Loans 6.a. through 6.l. excluding 6.k. were approved 3-0.

Another motion was then made to approve loan 6.k.

Loan 6.k. was approved 2-0, with Ms. Aronberg abstaining.

Ms. LeLouis then asked if there was a conflict regarding this loan and Ms. Aronberg said no – that she had not received her briefing binder in time and therefore could not vote on that particular loan.

PUBLIC COMMENT

None.

In the absence of further business, the meeting was adjourned at 10:12 a.m.

Respectfully submitted

Mark Paul
Executive Secretary